

Calculating the Rule of One

Adverse Impact

A fundamental principle underlying the *Uniform Guidelines* is that employer policies or practices having an adverse impact on the employment opportunities of any race, sex, or ethnic group are illegal unless justified by business necessity. It is important to remember that adverse impact is tolerated when an exam is valid, the pass point is job-related, and there are no other equally valid exams that would yield less adverse impact. A thorough job analysis is one way of establishing validity.

The *Uniform Guidelines* use a “rule of thumb” as a practical means of determining adverse impact. This rule, known as the “4/5th” or “80%” rule, states that a selection rate (i.e., passing rate) for any race, sex, or ethnic group which is less than 4/5th or 80% of the rate for the group with the highest selection rate is evidence of adverse impact.

The raw score tab calculates adverse impact statistics for ethnicity, gender, and disability. The raw score tab will provide the information necessary to determine whether an exam has adverse impact against the previously mentioned groups.

Rule of One

The Rule of One is often used to determine the *practical significance* of any adverse impact rates detected using the 80% rule. The Rule of One states that, if adverse impact is negated by having one more candidate pass the exam, the adverse impact has no practical significance and can be disregarded. The raw score tab does not calculate the Rule of One, and, therefore you must perform this calculation for any pass point you are considering.

Example

The following excerpt is from the raw score tab adverse impact table for gender.

-----PERCENT-----			RAW SCORE	%R	FREQ	CUM FREQ	CUM FRQ %	-----BY SEX CODE-----		
MALE	FEMALE	DNS						MALE	FEMALE	DNS
55.0	69.8	0.0	--80.0	76.0	1	62	55.9	33	30	
78.8	100.0									
EXAM TOTALS								60	43	8

In the above example, females have the higher passing rate (69.8%) compared to the pass rate of males (55.0%) for a raw score of 80. Therefore, the female group is considered the “dominate” group at the raw score of 80 and the male group must be assessed for adverse impact. Remember, adverse impact is assessed by comparing the passing rate for the dominant group against that of the other group(s). This comparison indicates adverse impact against the male group because it yields a percentage (78.8%) which is lower than 80%. If the raw score of 80 points was being considered for the pass point, the Rule of One calculation should be performed. The Rule of One calculation will determine whether the addition of one more male achieving a score of 80 or higher would eliminate the adverse impact.

Calculation Steps

1. Assume one more male achieved a score of 80
 $\rightarrow 33 + 1 = 34$ males
2. Determine the passing rate (# passing ÷ total #)
 $\rightarrow 34 \div 60 = 56.7\%$
3. Compare the new passing rate with the dominate group
 $\rightarrow 56.7 \div 69.8 = 81.2\%$
4. Compare this new percentage with 80%
 $\rightarrow 81.2\%$ is *greater* than 80%

Conclusion

The addition of one more male passing the exam revealed a passing rate for males which exceeds 80%. Consequently, based upon the Rule of One, the adverse impact against male candidates has no practical significance and can be disregarded.